

**THE HOUSING AUTHORITY  
OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED SEPTEMBER 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 06 2013**

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**

**LAPLACE, LOUISIANA**

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Board of Commissioners  
The Housing Authority of St John the Baptist Parish  
LaPlace, Louisiana

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the accompanying financial statements of the Housing Authority of St. John the Baptist Parish as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The Authority does not maintain adequate accounting records to provide sufficient information to support the financial statements. The Authority was unable to provide sufficient support for twenty five percent of requested disbursements from its operating cash account. We were unable to determine the material accuracy of Expenses by other auditing procedures. Additionally, because the Authority was unable to support opening balances for Cash, Restricted Cash and Capital Assets, we were unable to determine the material accuracy of the respective ending balances.

Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2012 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for Department of Housing and Urban Development information and is not a required part of the financial statements. The accompanying schedule of expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements. The Financial Data Schedule, supplementary data and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

Birmingham, Alabama  
November 30, 2012

*Yeager & Boyd*  
Yeager & Boyd

THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
The Housing Authority of St. John the Baptist Parish  
LaPlace, Louisiana

We were engaged to audit the financial statements of the business-type activities of the Authority as of and for the year ended September 30, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 30, 2012.

Internal Control Over Financial Reporting

In planning our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2011-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2011-01 through 2011-15.

The Authority's responses to the findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. We did not audit the Authority's responses and, accordingly we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Birmingham, Alabama  
November 30, 2012

Yeager & Boyd

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**

**LAPLACE, LOUISIANA**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Commissioners  
The Housing Authority of St. John the Baptist Parish  
LaPlace, Louisiana**

**Compliance**

We have audited the Authority's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2011. The Authority's major program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

We were unable to obtain sufficient documentation supporting the Authority's compliance with the Public Housing, Section 8 Housing Choice Voucher, Capital Fund and Capital Fund Recovery Act Funded programs regarding the Allowable Costs compliance requirement, as described in the accompanying schedule of findings and questioned costs as Findings 2011-01, nor were we able to satisfy ourselves as to the Authority's compliance with those requirements by other auditing procedures.

As described in Findings 2011-05 through 2011-07, 2011-10 and 2011-12 in the accompanying schedule of findings and questioned costs, the Authority did not comply with the Housing Quality Standards, Allowable Costs with respect to Housing Assistance Payments, Eligibility, Special Test and Provisions (Declaration of Trusts), and Davis Bacon Act compliance requirements that are applicable to its Public Housing, Section 8 Housing Choice Voucher, Capital Fund and Capital Fund Recovery Act Funded programs. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the Authority's compliance with the requirements of the Public Housing, Section 8 Housing Choice Voucher, Capital Fund and Capital Fund Recovery Act Funded programs regarding Allowable Costs, and except for the noncompliance described in the preceding paragraph, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Findings 2011-03, 2011-04, 2011-08, 2011-09, 2011-11, and 2011-13 through 2011-15.

#### Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our Consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2011-01, 2011-03 through 2011-08, and 2011-10 through 2011-15 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2011-09 to be a significant deficiency.



The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Birmingham, Alabama  
November 30, 2012

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**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended September 30, 2011. The operation of The Housing Authority of St. John the Baptist Parish is comprised of a Low Income Public Housing Program, a Section 8 Housing Choice Vouchers Program, a Capital Fund Program and a Capital Fund Recovery Act Funded Program. The Public Housing Program is funded with rental revenue, miscellaneous tenant charges and Department of Housing and Urban Development (HUD) grants. The Section 8 and Capital Fund Programs are funded entirely by grants from HUD.

**FINANCIAL HIGHLIGHTS**

1. Total assets exceed total liabilities by	\$4,887,891
2. Unrestricted net assets equal	426,875

**REQUIRED FINANCIAL STATEMENTS**

The Financial Statements of the Authority report information using the Enterprise Fund accounting methods

- . Statement of Net Assets – includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating. This statement was formerly known as a Balance Sheet
- . Statement of Revenues, Expenses and Changes in Net Assets - provides information as to the increase or decrease of current year revenues over expenses. This statement was formerly known as an Income Statement.
- . Statement of Cash Flows – provides information about net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities and from investing activities.

## **FINANCIAL ANALYSIS**

### **STATEMENT OF NET ASSETS**

	<u>2011</u>	<u>Restated 2010</u>	<u>Variance</u>
<b>Assets</b>			
Current Assets	\$ 708,434	\$ 1,009,004	\$ (300,570)
Capital Assets	<u>4,810,224</u>	<u>4,967,843</u>	<u>(157,619)</u>
<b>Total Assets</b>	<b><u>\$ 5,518,658</u></b>	<b><u>\$ 5,976,847</u></b>	<b><u>\$ (458,189)</u></b>
<b>Liabilities:</b>			
Current Liabilities	\$ 572,720	\$ 119,634	\$ 453,086
Non-current Liabilities	<u>58,047</u>	<u>12,483</u>	<u>45,564</u>
<b>Total Liabilities</b>	<b><u>\$ 630,767</u></b>	<b><u>\$ 132,117</u></b>	<b><u>\$ 498,650</u></b>
<b>Net Assets</b>			
Invested in Capital Assets	\$ 4,461,016	\$ 4,967,843	\$ (506,827)
Restricted Net Assets	-	286,990	(286,990)
Unrestricted Net Assets	<u>426,875</u>	<u>589,897</u>	<u>(163,022)</u>
<b>Total Net Assets</b>	<b><u>\$ 4,887,891</u></b>	<b><u>\$ 5,844,730</u></b>	<b><u>\$ (956,839)</u></b>

As illustrated, in the Statement of Net Assets, the overall net assets of the Authority decreased by \$956,839. Current assets decreased due predominately to a decrease in accounts receivable. Depreciation expense exceeding capital additions accounted for the decrease in capital assets. Current liabilities increased due to an increase in accounts payable from the settlement of a law suit. Noncurrent liabilities increased due to an increase in accrued compensated absences.

### **CHANGE IN UNRESTRICTED NET ASSETS**

Restated Unrestricted Net Assets, October 1, 2010	\$ 589,897
Results of Operations	(1,175,741)
Transfer from Restricted Net Assets	286,990
Law Suit Settlement Liability	349,208
Investment Income	1,947
Depreciation Expense	<u>374,574</u>
Unrestricted Net Assets, September 31, 2011	<b><u>\$ 426,875</u></b>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

**FINANCIAL ANALYSIS (continued)****STATEMENT OF REVENUES AND EXPENSES**

	<b>2011</b>	<b>Restated 2010</b>	<b>Variance</b>
<b>Revenues:</b>			
Tenant Rental Revenue	\$ 424,597	\$ 433,052	\$ (8,455)
Operating Grants	3,222,619	3,846,959	(624,340)
Capital Grants	216,955	416,943	(199,988)
Interest Income	1,947	3,356	(1,409)
Other Income	1,348,276	1,241,381	106,895
<b>Total Revenues</b>	<b>\$ 5,214,394</b>	<b>\$ 5,941,691</b>	<b>\$ (727,297)</b>
<b>Expenses</b>			
Administrative Expenses	\$ 424,612	\$ 757,366	\$ (332,754)
Utilities	505,692	508,271	(2,579)
Maintenance & Operations	675,471	396,258	279,213
General Expense	567,643	230,004	337,639
HAP Payments	3,623,241	3,561,467	61,774
Depreciation	374,574	436,813	(62,239)
<b>Total Expenses</b>	<b>\$ 6,171,233</b>	<b>\$ 5,890,179</b>	<b>\$ 281,054</b>
<b>Excess (Deficiency) Revenues Over Expenses</b>	<b>\$ (956,839)</b>	<b>\$ 51,512</b>	<b>\$ (1,008,351)</b>

**REVENUES**

In reviewing the Statement of Revenues and Expenses, you will find that 66% of the Authority's revenue is derived from grants from the Department of Housing and Urban Development, 8% of the Authority's revenue is from dwelling rent, and 26% from investment income and other income.

**EXPENSES**

In reviewing the Statement of Revenues and Expenses, you will find that 16% of the Authority's expenses are for general and administrative costs, 19% for maintenance and utilities, 6% for depreciation, and 59% for HAP payments.

**Excess (Deficiency) Revenues Over Expenses**

There was a decrease in excess revenues over expenses. The decrease was due to an increase in expenses and a decrease in revenues. Administrative Expenses decreased due to various efforts by the Authority to reorganize administrative services. Maintenance costs increased due to rehabilitation projects performed in the current year. General expenses increased due to insurance costs increasing significantly and bad debt write-offs. Housing Assistance Payments increased due to increased leasing.

## **FINANCIAL ANALYSIS (continued)**

### **CAPITAL ASSETS**

As of year end, the Authority had \$4,810,224 invested in a variety of capital assets as reflected in the following schedule, which represents a 3% decrease (additions, deductions and depreciation) from the end of last year.

	<u>2011</u>	<u>Restated 2010</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 171,875	\$ 171,875	\$ -	0%
Buildings & Improvements	13,976,704	13,976,704	-	0%
Furniture & Equipment	168,289	168,289	-	0%
Construction in Process	1,863,135	1,646,180	216,955	13%
Accumulated Depreciation	<u>(11,369,779)</u>	<u>(10,995,205)</u>	<u>(374,574)</u>	<u>3%</u>
Net Capital Assets	<u>\$ 4,810,224</u>	<u>\$ 4,967,843</u>	<u>\$ (157,619)</u>	<u>-3%</u>

The following reconciliation summarizes the change in Capital Assets:

Restated Beginning Balance, October 1, 2010	\$ 4,967,843
Additions:	
Capital Fund Program - Improvements	216,955
Depreciation Expense	<u>(374,574)</u>
Ending Balance, September 31, 2011	<u>\$ 4,810,224</u>

### **ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS**

Several factors that may affect the financial position of the Authority in the subsequent fiscal year are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

**REAC**

The Real Estate Assessment Center performs a financial evaluation of each Public Housing Authority as it compares to its peers. The evaluation is known as the Financial Assessment SubSystem (FASS). Preliminary scoring of FASS indicates that the Authority will be rated as a Standard Performer

**CONCLUSION**

The Housing Authority of St. John the Baptist Parish's management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

**CONTACT**

This financial report is designed to provide our residents, the citizens of LaPlace, Louisiana, federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Trina Henderson, Executive Director, at 152 Joe Parquet Circle, LaPlace, Louisiana 70068.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

**ASSETS**

	<b>Enterprise Fund</b>
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$ 587,151
Accounts Receivable - HUD	17,536
Tenants Accounts Receivable	21,596
(Allowance for Doubtful Accounts)	(4,751)
Prepaid Costs	86,902
Total Current Assets	<u>708,434</u>
<b><u>Capital Assets</u></b>	
Land	171,875
Buildings	13,976,704
Furniture & Equipment	168,289
Construction in Process	1,863,135
	<u>16,180,003</u>
(Less). Accumulated Depreciation	<u>(11,369,779)</u>
Net Capital Assets	<u>4,810,224</u>
 Total Assets	 <u>\$ 5,518,658</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

**LIABILITIES AND NET ASSETS**

	<b>Enterprise Fund</b>
<b><u>Current Liabilities</u></b>	
Accounts Payable	\$ 61,015
Accounts Payable - Capital	349,208
Accrued Wages and Payroll Taxes	14,908
Accrued Compensated Absences	10,825
Resident Security Deposits	18,368
Accrued Current Liabilities - Other	118,396
Total Current Liabilities	<u>572,720</u>
<b><u>Long-Term Liabilities</u></b>	
Accrued Compensated Absences	<u>58,047</u>
Total Long-Term Liabilities	<u>58,047</u>
Total Liabilities	<u>630,767</u>
<b><u>Net Assets</u></b>	
Investment in Capital Assets	4,461,016
Unrestricted Net Assets	426,875
Total Net Assets	<u>4,887,891</u>
Total Liabilities and Net Assets	<u>\$ 5,518,658</u>

See the accompanying notes to financial statements.



**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Enterprise Fund</b>
<b><u>Operating Revenues</u></b>	
Dwelling Rent	\$ 424,597
Operating Grants	3,222,619
Other Income	1,348,276
Total Operating Revenues	<u>4,995,492</u>
<b><u>Operating Expenses</u></b>	
Administrative	424,612
Utilities	505,692
Maintenance and Operations	675,471
General Expense	567,643
Housing Assistance Payments	3,623,241
Depreciation	374,574
Total Operating Expenses	<u>6,171,233</u>
Operating Income (Loss)	<u>(1,175,741)</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>	
Investment Income	1,947
Total Non-Operating Rev/(Exp)	<u>1,947</u>
Increase (Decrease) before Capital Contributions	<u>(1,173,794)</u>
Capital Contributions	<u>216,955</u>
Increase (Decrease) in Net Assets	(956,839)
Net Assets, Beginning	4,074,332
Prior Period Adjustment	1,770,398
Net Assets, Ending	<u><u>\$ 4,887,891</u></u>

See the accompanying notes to financial statements

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Enterprise Fund</b>
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,109,518
Cash Received from Operating Grants	3,222,619
Cash Received from Other Sources	1,344,014
Cash Payments for Salaries and Benefits	(463,997)
Cash Payments to Vendors and Landlords	(4,807,230)
Net Cash flows provided (used) by operating activities	<u>404,924</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(216,955)
Capital Grants Received	216,955
Net cash flows provided (used) by capital and related financing activities	<u>-</u>
<u>Cash flows from investing activities:</u>	
Interest received from cash and cash equivalents	1,947
Net cash flows provided (used) by investing activities	<u>1,947</u>
Net Increase (decrease) in cash and cash equivalents	<u>406,871</u>
<u>Cash and cash equivalents, beginning of year:</u>	<u>180,280</u>
<u>Cash and cash equivalents, end of year:</u>	<u>\$ 587,151</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) operating activities:</u>	
Operating Income (Loss)	\$ (1,175,741)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	374,574
Bad Debts	17,099
Change in Tenants Accounts Receivable	684,921
Change in Inventories	5,421
Change in Accounts Payable - Operating	346,477
Change in Accrued Expenses	38,039
Change in Other Current Liabilities	118,396
Change in Tenant Security Deposits	(4,262)
Net cash provided by (used in) operating activities	<u>\$ 404,924</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH

LAPLACE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement of focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board on or before November 30, 1989, and those issued after November 30, 1989 except for those that conflict with or contradict Governmental Accounting Standards Board pronouncements.

**FURTHER SIGNIFICANT ACCOUNTING POLICIES ARE:**

**Cash**

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

**Accounts Receivable**

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other Accounts Receivable consists of amounts due from HUD for Capital Fund Program Grants.

**Prepaid Items**

Prepaid Items consist of payments made to vendors for services that will benefit future periods.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income.

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements

#### Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings and Improvements	40 years
Furniture and Equipment	3 - 7 years

#### Cost Allocation

The Authority allocates indirect costs to programs on the basis of one of the following methods: direct salaries and wages, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

### NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a separate non-profit corporation with a Board of Commissioners. The Mayor appoints the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has no component units. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

### NOTE C - CASH AND INVESTMENT DEPOSITS

*Custodial Credit Risk* – The Housing Authority policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U S Government.

*Interest Rate Risk* – The Housing Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other Federally insured investments.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE C - CASH AND INVESTMENT DEPOSITS - CONTINUED

The Housing Authority's cash and cash equivalents consist of cash held in three interest bearing checking accounts totaling \$587,051. The remaining \$100 is held in the form of petty cash or change fund. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 250,000	\$ 250,000
Collateralized with specific securities in the Authority name which are held by the financial institution	<u>337,051</u>	<u>371,575</u>
	<u>\$ 587,051</u>	<u>\$ 621,575</u>

### NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the September 30, 2011 as follows:

<u>Type Commitment</u>	<u>Amount</u>
None of any significance	

### NOTE E – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

### NOTE F – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

### NOTE G – SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

### NOTE H – COMPENSATED ABSENCES

It is the Housing Authority's policy to permit employees, depending on tenure, to accumulate earned but unused vacation and sick leave. Upon separation from employment after one year of service, an employee is entitled to receive pay for accrued vacation up to a specified maximum. Leave accrued but not yet paid as of September 30, 2011 is shown as a liability allocated between current and noncurrent.

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE H – COMPENSATED ABSENCES - CONTINUED

	Balance - Restated			Balance	Current
	<u>10/1/2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/31/11</u>	<u>Portion</u>
Accrued Compensated Absences	\$ 28,073	\$ 51,468	\$ 10,669	\$ 68,872	\$ -
Less: Current portion	<u>(12,483)</u>			<u>(10,825)</u>	<u>10,825</u>
Long Term Liabilities	<u>\$ 15,590</u>			<u>\$ 58,047</u>	<u>\$ 10,825</u>

## NOTE I - PENSION PLAN

The Housing Authority contributes to a defined contribution pension plan. All full time employees are eligible for the plan after completing 6 months employment with the Authority. The Authority contributes 7.5% of each employee's salary to the plan. Employer contributions to the plan for the year ended June 30, 2011 were \$9,342. Employee contributions are 5% of each employee's salary. Employees contributions to the plan for the year ended June 30, 2011 were \$6,228.

Assets in the plan are recorded at market value and are administered by a private corporation under contract with the Housing Authority. It is the opinion of the Authority's legal counsel that the Housing Authority has no liability for losses under the plans but does have the responsibility of due care that would be required of an ordinary prudent investor.

## NOTE J – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc are paid by the Housing Authority's various funds and subsequently reimbursed. Balances due for such charges are reflected in the Inter-program Due to/Due from account balances. Inter-program balances at September 30, 2011 consisted of the following.

Public Housing	\$ 17,536
Capital Fund	(14,404)
Capital Fund (ARRA)	<u>(3,132)</u>
Total	<u>\$ -</u>

## NOTE K – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows at fiscal year end.

	<u>PUBLIC HOUSING</u>	<u>CAPITAL FUND</u>	<u>TOTAL</u>
Land	\$ 171,875	\$ -	\$ 171,875
Building and Improvements	13,976,704	-	\$ 13,976,704
Furniture, Fixtures and Equipment	168,289	-	\$ 168,289
Construction in Process	-	1,863,135	\$ 1,863,135
Less Accumulated Depreciation	<u>(11,369,779)</u>	<u>-</u>	<u>\$ (11,369,779)</u>
Total Property and Equipment	<u>\$ 2,947,089</u>	<u>\$ 1,863,135</u>	<u>\$ 4,810,224</u>

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE K – PROPERTY AND EQUIPMENT - CONTINUED

	<u>October 1, 2010</u> <u>Balance - Restated</u>	<u>Additions</u>	<u>Transfers &amp;</u> <u>Deletions</u>	<u>September 30, 2011</u> <u>Balance</u>
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Construction in Process	<u>1,646,180</u>	<u>216,955</u>	<u>-</u>	<u>1,863,135</u>
Total Assets not being depreciated	1,818,055	216,955	-	2,035,010
Buildings and Improvements	13,976,704	-	-	13,976,704
Furniture and Equipment	<u>168,289</u>	<u>-</u>	<u>-</u>	<u>168,289</u>
Total Property and Equipment	15,963,048	216,955	-	16,180,003
Less Accumulated Depreciation				
Building and Improvements	(10,888,191)	(353,235)	-	(11,241,426)
Furniture and Equipment	<u>(107,014)</u>	<u>(21,339)</u>	<u>-</u>	<u>(128,353)</u>
Net Book Value	<u>\$ 4,967,843</u>	<u>\$ (157,619)</u>	<u>\$ -</u>	<u>\$ 4,810,224</u>

## NOTE L – PRIOR PERIOD ADJUSTMENT

The Authority had a prior period adjustment to increase beginning net assets in the amount of \$1,770,398 as of October 1, 2010. The adjustment consisted of the following.

Public Housing/ Capital Fund Program	\$ (342,496)
Housing Choice Voucher/ Disaster Housing Assistance Program(s)	<u>2,112,894</u>
Total Prior Period Adjustment	<u>\$ 1,770,398</u>

## NOTE M – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant. Based on a consolidated review performed by HUD, the Housing Authority may be required to refund approximately \$1 million received through grants if they are unable to provide supporting documentation.

## NOTE N – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through November 30, 2012, the date the financial statements were issued.

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM**  
**SEPTEMBER 30, 2011**

<b><u>ASSETS</u></b>	<b><u>Public Housing Program</u></b>	<b><u>Capital Fund Program</u></b>	<b><u>CFP Stimulus Grant</u></b>	<b><u>Housing Choice Vouchers</u></b>	<b><u>Disaster Housing Assistance</u></b>	<b><u>Elimination</u></b>	<b><u>Total</u></b>
<b><u>Current Assets</u></b>							
Cash and Cash Equivalents	\$ 312,073	\$ -	\$ -	\$ 275,078	\$ -	\$ -	\$ 587,151
Accounts Receivable - HUD	-	14,404	3,132	-	-	-	17,536
Tenants Accounts Receivable	21,596	-	-	-	-	-	21,596
(Allowance for Doubtful Accounts)	(4,751)	-	-	-	-	-	(4,751)
Prepaid Costs	86,902	-	-	-	-	-	86,902
Interprogram Receivable	17,536	-	-	-	-	(17,536)	-
<b>Total Current Assets</b>	<b>433,356</b>	<b>14,404</b>	<b>3,132</b>	<b>275,078</b>	<b>-</b>	<b>(17,536)</b>	<b>708,434</b>
<b><u>Capital Assets</u></b>							
Land	171,875	-	-	-	-	-	171,875
Buildings	13,976,704	-	-	-	-	-	13,976,704
Furniture & Equipment	168,289	-	-	-	-	-	168,289
Construction in Process	-	1,863,135	-	-	-	-	1,863,135
	14,316,868	1,863,135	-	-	-	-	16,180,003
(Less): Accumulated Depreciation	(11,369,779)	-	-	-	-	-	(11,369,779)
<b>Net Capital Assets</b>	<b>2,947,089</b>	<b>1,863,135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,810,224</b>
<b>Total Assets</b>	<b>\$ 3,380,445</b>	<b>\$ 1,877,539</b>	<b>\$ 3,132</b>	<b>\$ 275,078</b>	<b>\$ -</b>	<b>\$ (17,536)</b>	<b>\$ 5,518,658</b>



**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM**  
**SEPTEMBER 30, 2011**

**LIABILITIES AND NET ASSETS**

	<b><u>Public Housing Program</u></b>	<b><u>Capital Fund Program</u></b>	<b><u>CFP Stimulus Program</u></b>	<b><u>Housing Choice Vouchers</u></b>	<b><u>Disaster Housing Assistance</u></b>	<b><u>Elimination</u></b>	<b><u>Total</u></b>
<b>Liabilities</b>							
<b><u>Current Liabilities</u></b>							
Accounts Payable	\$ 61,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,015
Accounts Payable - Capital	349,208	-	-	-	-	-	349,208
Accrued Wages and Payroll Taxes	13,762	-	-	1,146	-	-	14,908
Accrued Compensated Absences	10,825	-	-	-	-	-	10,825
Resident Security Deposits	18,368	-	-	-	-	-	18,368
Accrued Current Liabilities - Other	118,396	-	-	-	-	-	118,396
Interprogram Payable	-	14,404	3,132	-	-	(17,536)	-
Total Current Liabilities	571,574	14,404	3,132	1,146	-	(17,536)	572,720
<b><u>Long-Term Liabilities</u></b>							
Accrued Compensated Absences	58,047	-	-	-	-	-	58,047
Total Long-Term Liabilities	58,047	-	-	-	-	-	58,047
Total Liabilities	629,621	14,404	3,132	1,146	-	(17,536)	630,767
<b><u>Net Assets</u></b>							
Investment in Capital Assets	2,597,881	1,863,135	-	-	-	-	4,461,016
Unrestricted Net Assets	152,943	-	-	273,932	-	-	426,875
Total Net Assets	2,750,824	1,863,135	-	273,932	-	-	4,887,891
Total Liabilities and Net Assets	\$ 3,380,445	\$ 1,877,539	\$ 3,132	\$ 275,078	\$ -	\$ (17,536)	\$ 5,518,658

**THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Public Housing Program</u>	<u>Capital Fund Program</u>	<u>CFP Stimulus Program</u>	<u>Housing Choice Vouchers</u>	<u>Disaster Housing Assistance</u>	<u>Total</u>
<b><u>Operating Revenues</u></b>						
Dwelling Rent	\$ 424,597	\$ -	\$ -	\$ -	\$ -	\$ 424,597
Operating Grants	802,387	71,906	79,342	2,268,984	-	3,222,619
Other Income	105,418	-	-	1,242,858	-	1,348,276
Total Operating Revenues	<u>1,332,402</u>	<u>71,906</u>	<u>79,342</u>	<u>3,511,842</u>	<u>-</u>	<u>4,995,492</u>
<b><u>Operating Expenses</u></b>						
Administrative	347,165	-	46,650	30,797	-	424,612
Utilities	505,692	-	-	-	-	505,692
Maintenance and Operations	592,859	49,920	32,692	-	-	675,471
General Expense	432,386	-	-	135,257	-	567,643
Housing Assistance Payments	-	-	-	3,623,241	-	3,623,241
Depreciation	374,574	-	-	-	-	374,574
Total Operating Expenses	<u>2,252,676</u>	<u>49,920</u>	<u>79,342</u>	<u>3,789,295</u>	<u>-</u>	<u>6,171,233</u>
Operating Income (Loss)	<u>(920,274)</u>	<u>21,986</u>	<u>-</u>	<u>(277,453)</u>	<u>-</u>	<u>(1,175,741)</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>						
Investment Income	844	-	-	1,103	-	1,947
Total Non-Operating Rev/(Exp)	<u>844</u>	<u>-</u>	<u>-</u>	<u>1,103</u>	<u>-</u>	<u>1,947</u>
Increase (Decrease) before Capital Contributions and Transfers	<u>(919,430)</u>	<u>21,986</u>	<u>-</u>	<u>(276,350)</u>	<u>-</u>	<u>(1,173,794)</u>
Operating Transfers In (Out)	21,986	(21,986)	-	-	-	-
Capital Contributions	-	14,848	202,107	-	-	216,955
Increase (Decrease) in Net Assets	<u>(897,444)</u>	<u>14,848</u>	<u>202,107</u>	<u>(276,350)</u>	<u>-</u>	<u>(956,839)</u>
Net Assets, Beginning	2,913,279	2,723,665	-	(1,992,455)	429,843	4,074,332
Equity Transfer	-	202,107	(202,107)	-	-	-
Prior Period Adjustment	734,989	(1,077,485)	-	2,542,737	(429,843)	1,770,398
Net Assets, Ending	<u>\$ 2,750,824</u>	<u>\$ 1,863,135</u>	<u>\$ -</u>	<u>\$ 273,932</u>	<u>\$ -</u>	<u>\$ 4,887,891</u>

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2011

**EXPENDITURES**

**Low Rent Public Housing Expenditures**

Total CFDA Number 14.850a \$ 802,387

**Housing Choice Vouchers**

Total CFDA Number 14.871 2,268,984

**Public Housing Capital Fund Program**

Total CFDA Number 14.872 (CFP Cluster) 86,754

**Public Housing Capital Fund - Recovery Act Funded**

Total CFDA Number 14.885 (CFP Cluster) 281,449

**TOTAL HUD EXPENDITURES** 3,439,574

**TOTAL FEDERAL EXPENDITURES** \$ 3,439,574

**Basis of Presentation.**

*The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.*

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2011**

	LOW INCOME 14 850a	CFF 14 872	STIMULUS GRANT 14 885	SECTION 8 14 871	DEAP 97 109	ELDERCARE 14 871	TOTAL
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
<b>CASH</b>							
111 CASH UNRESTRICTED	293,705	-	-	275,078	-	-	568,783
112 CASH RESTRICTED MODERNIZATION AND DEV	-	-	-	-	-	-	-
113 CASH OTHER RESTRICTED	-	-	-	-	-	-	-
114 CASH TENANT SECURITY DEPOSIT	18,368	-	-	-	-	-	18,368
115 CASH RESTRICTED FOR FIRST CURRENT DEBT	-	-	-	-	-	-	-
100 TOTAL CASH	312,073	-	-	275,078	-	-	587,151
<b>ACCOUNTS AND NOTES RECEIVABLE</b>							
121 A/R - PEA PROJECTS	-	-	-	-	-	-	-
122 A/R - HUD PROJECTS	-	14,404	3,132	-	-	-	17,536
124 A/R - OTHER GOVT	-	-	-	-	-	-	-
125 A/R - MISC	-	-	-	-	-	-	-
126 A/R - TENANTS DWELLING REPT	21,596	-	-	-	-	-	21,596
126 1 ALLOWANCE FOR D A - TENANTS	(4,751)	-	-	-	-	-	(4,751)
126 2 ALLOWANCE FOR D A - OTHER	-	-	-	-	-	-	-
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-
128 FRAUD RECOVERY	-	-	-	-	-	-	-
128 1 ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-
120 TOTAL RECEIVABLES NET OF ALLOW	16,845	14,404	3,132	-	-	-	34,381
<b>CURRENT INVESTMENTS</b>							
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-
142 PREPAID INSURANCE	86,902	-	-	-	-	-	86,902
143 INVENTORIES - MATERIALS	-	-	-	-	-	-	-
143 1 ALLOWANCE FOR OBSOLETE INV	-	-	-	-	-	-	-
144 INTERPROGRAM DUE FROM	17,536	-	-	-	-	(17,536)	-
146 AMOUNTS TO BE PROVIDED	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	433,356	14,404	3,132	275,078	-	(17,536)	708,434
<b>NONCURRENT ASSETS</b>							
<b>FIXED ASSETS</b>							
161 LAND	171,875	-	-	-	-	-	171,875
162 BUILDINGS	12,625,583	-	-	-	-	-	12,625,583
163 FURNITURE & EQUIPMENT - DWELLINGS	10,000	-	-	-	-	-	10,000
164 FURNITURE & EQUIPMENT - ADMINISTRATION	158,289	-	-	-	-	-	158,289
165 LEASEHOLD IMPROVEMENTS	1,351,121	-	-	-	-	-	1,351,121
167 CONSTRUCTION IN PROGRESS	-	1,863,135	-	-	-	-	1,863,135
168 ACCUMULATED DEPRECIATION	(11,369,779)	-	-	-	-	-	(11,369,779)
160 TOTAL FIXED ASSETS, NET OF DEPR	2,847,089	1,863,135	-	-	-	-	4,810,224
171 NOTES & MORTGAGES RECEIVABLE - N/C	-	-	-	-	-	-	-
172 NOTES & MORTGAGES RECEIVABLE - FO	-	-	-	-	-	-	-
174 OTHER ASSETS	-	-	-	-	-	-	-
176 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	2,847,089	1,863,135	-	-	-	-	4,810,224
190 TOTAL ASSETS	3,380,445	1,877,539	3,132	275,078	-	(17,536)	8,510,656
<b>LIABILITIES AND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
211 BANK OVERDRAFT	-	-	-	-	-	-	-
212 A/P < 90 DAYS	61,015	-	-	-	-	-	61,015
213 A/P > 90 DAYS	349,208	-	-	-	-	-	349,208
221 ACCRUED WAGE/PAYROLL TAXES PAYABLE	15,782	-	-	1,146	-	-	16,928
222 ACCRUED COMPENSATED ABSENCE	10,825	-	-	-	-	-	10,825
224 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-
225 ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-
231 ACCOUNTS PAYABLE - HUD PEA PROGRAMS	-	-	-	-	-	-	-
232 ACCOUNTS PAYABLE - PEA PROJECTS	-	-	-	-	-	-	-
233 ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-	-	-
241 TENANT SECURITY DEPOSIT	18,368	-	-	-	-	-	18,368
242 DEFERRED REVENUES	-	-	-	-	-	-	-
243 CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-	-	-
244 CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-
245 OTHER CURRENT LIABILITIES	-	-	-	-	-	-	-
246 ACCRUED LIABILITIES - OTHER	118,396	-	-	-	-	-	118,396
247 INTERPROGRAM DUE TO	-	14,404	3,132	-	-	(17,536)	-
310 TOTAL CURRENT LIABILITIES	571,574	14,404	3,132	1,146	-	(17,536)	572,720
<b>NONCURRENT LIABILITIES</b>							
251 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-
252 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-
254 LONG TERM PORTION OF COMPENSATED ABSENCE	58,047	-	-	-	-	-	58,047
253 NONCURRENT LIABILITIES OTHER	-	-	-	-	-	-	-
250 TOTAL NONCURRENT LIABILITIES	58,047	-	-	-	-	-	58,047
300 TOTAL LIABILITIES	629,621	14,404	3,132	1,146	-	(17,536)	630,767
<b>EQUITY</b>							
501 INVESTMENT IN GENERAL FIXED ASSETS	-	-	-	-	-	-	-

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH**  
**LAPLACE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE**  
**SEPTEMBER 30, 2011**

	LOW REPT 14 850a	CFF 14 872	CFF STIMULUS GRANT 14 885	SECTION 8 14 871	DEAP 97 109	ELIMINATIONS	TOTAL
CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
502 PROJECT NOTES (RUD)	-	-	-	-	-	-	-
503 LONG TERM DEBT - RUD GUARANTEED	-	-	-	-	-	-	-
504 NET RUD PSA CONTRIBUTIONS	-	-	-	-	-	-	-
505 OTHER RUD CONTRIBUTIONS	-	-	-	-	-	-	-
507 OTHER CONTRIBUTIONS	-	-	-	-	-	-	-
508 TOTAL CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
508 1 INVESTMENT IN CAPITAL ASSETS	2,897,881	1,863,135	-	-	-	-	4,761,016
RESERVED FUND BALANCE	-	-	-	-	-	-	-
509 RESERVED FOR OPERATING ACTIVITIES	-	-	-	-	-	-	-
510 RESERVED FOR CAPITAL ACTIVITIES	-	-	-	-	-	-	-
511 TOTAL RESERVED BALANCE	-	-	-	-	-	-	-
511 1 RESTRICTED NET ASSETS	-	-	-	-	-	-	-
512 UNRESTRICTED FUND BALANCE/R/E	-	-	-	-	-	-	-
512 1 UNRESTRICTED NET ASSETS	152,843	-	-	273,932	-	-	426,775
513 TOTAL EQUITY	2,750,824	1,863,135	-	273,932	-	-	4,887,891
600 TOTAL LIABILITIES AND EQUITY	3,280,445	1,877,539	3,132	275,078	-	(17,536)	5,510,658
REVENUE	-	-	-	-	-	-	-
703 NET TENANT RENTAL REVENUE	413,596	-	-	-	-	-	413,596
704 TENANT REVENUE - OTHER	11,001	-	-	-	-	-	11,001
705 TOTAL TENANT REVENUE	424,597	-	-	-	-	-	424,597
706 RUD PSA GRANTS	802,387	71,805	79,342	2,268,984	-	-	3,222,619
706 1 CAPITAL GRANTS RECEIVED	-	14,868	202,107	-	-	-	216,975
708 OTHER GOVT GRANTS	-	-	-	-	-	-	-
710 SEC 8 INCOME	-	-	-	-	-	-	-
711 INVESTMENT INCOME - UNRESTRICTED	844	-	-	5	-	-	849
712 MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-
714 FRANCHISE REVENUE	-	-	-	-	-	-	-
715 OTHER REVENUE	105,418	-	-	1,242,838	-	-	1,348,256
716 GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-	-
720 INVESTMENT INCOME - RESTRICTED	-	-	-	1,089	-	-	1,089
700 TOTAL REVENUE	1,333,246	86,784	281,449	3,512,945	-	-	5,214,394
EXPENSES	-	-	-	-	-	-	-
ADMINISTRATIVE	-	-	-	-	-	-	-
911 ADMINISTRATIVE SALARIES	176,014	-	39,000	23,412	-	-	237,426
912 AUDITING FEES	29,261	-	-	-	-	-	29,261
913 OUTSIDE MANAGEMENT FEES	-	-	-	-	-	-	-
914 ADVERTISING & MARKETING	-	-	-	-	-	-	-
915 EMPLOYEE BENEFIT CONTRIBUTION	44,534	-	8,690	5,843	-	-	59,027
916 OFFICE EXPENSES	28,195	-	-	-	-	-	28,195
917 LEGAL EXPENSES	14,812	-	-	-	-	-	14,812
918 TRAVEL	806	-	-	-	-	-	806
918 1 ALLOCATED OVERHEAD	-	-	-	-	-	-	-
919 OTHER	54,543	-	-	1,562	-	-	56,085
TENANT SERVICES	-	-	-	-	-	-	-
921 TENANT SERVICES SALARIES	-	-	-	-	-	-	-
922 RELOCATION COSTS	-	-	-	-	-	-	-
923 EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-	-	-
924 TENANT SERVICES OTHER	-	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-	-
931 WATER	214,880	-	-	-	-	-	214,880
932 ELECTRICITY	29,335	-	-	-	-	-	29,335
933 GAS	153,944	-	-	-	-	-	153,944
934 FUEL	7,413	-	-	-	-	-	7,413
935 LABOR	-	-	-	-	-	-	-
936 SEWER	-	-	-	-	-	-	-
937 EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-
938 OTHER UTILITIES	-	-	-	-	-	-	-
ORDINARY MAINTENANCE & OPERATION	-	-	-	-	-	-	-
941 ORDINARY MAINT AND OP LABOR	151,740	-	-	-	-	-	151,740
942 ORDINARY MAINTENANCE AND OP MATERIALS	83,533	49,820	32,692	-	-	-	166,165
943 ORDINARY MAINTENANCE AND OP CONTRACT	26,886	-	-	-	-	-	26,886
945 EMPLOYEE BENEFIT CONTRIBUTION	38,392	-	-	-	-	-	38,392
PROTECTIVE SERVICES	-	-	-	-	-	-	-
951 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-
952 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-	-
953 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-
955 EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-
GENERAL EXPENSES	-	-	-	-	-	-	-
961 INSURANCE PREMIUMS	320,320	-	-	-	-	-	320,320
962 OTHER GENERAL EXPENSES	43,499	-	-	-	-	-	43,499
962 1 COMPENSATED ABSENCES	51,468	-	-	-	-	-	51,468
963 PAYMENTS IN LIEU OF TAXES	-	-	-	-	-	-	-
964 BAD DEBT - TENANT	17,099	-	-	-	-	-	17,099
965 BAD DEBT - MORTGAGES	-	-	-	-	-	-	-
966 BAD DEBT - OTHER	-	-	-	135,257	-	-	135,257
967 INTEREST EXPENSE	-	-	-	-	-	-	-
968 SEVERANCE EXPENSE	-	-	-	-	-	-	-
969 TOTAL OPERATING EXPENSES	1,565,794	49,820	79,342	166,054	-	-	1,661,110
970 EXCESS OPERATING REVENUE OVER OF EXP	(232,548)	36,834	202,107	3,346,891	-	-	3,353,284

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2011

	LOW RENT 14 850a	CFF 14 872	CFF STIMULUS GRANT 14 885	SECTION 8 14 871	DRAP 97 109	ELIMINATIONS	TOTAL
971 REPAIRS/RENTAL MAINTENANCE	312,308	-	-	-	-	-	312,308
972 CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-	-
973 RDP	-	-	-	2,414,841	-	-	2,414,841
973 S RDP - PORTABILITY ID	-	-	-	1,208,400	-	-	1,208,400
974 DEPRECIATION EXPENSE	374,874	-	-	-	-	-	374,874
975 FLOOD LOSSES	-	-	-	-	-	-	-
976 CAPITAL OUTLAY GOVT FUNDS	-	-	-	-	-	-	-
977 DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-	-
978 DRILLING UNITS RENT EXPENSE	-	-	-	-	-	-	-
980 TOTAL EXPENSES	2,252,676	49,220	79,342	3,789,295	-	-	6,171,233
1001 Operating Transfers In	21,986	-	-	-	-	-	21,986
1002 Operating Transfers Out	-	(21,986)	-	-	-	-	(21,986)
1003 Operating Transfers to/from Primary Government	-	-	-	-	-	-	-
1010 Total Other Financing Sources (Uses)	21,986	(21,986)	-	-	-	-	-
1000 EXCESS REVENUE OVER EXPENSES	(897,444)	14,848	202,107	(276,350)	-	-	(956,839)
1103 BEGINNING EQUITY	2,913,279	2,723,665	-	(1,992,455)	429,843	-	4,074,332
1104 EQUITY TRANSFERS	-	202,107	(202,107)	-	-	-	-
1104 PRIOR PERIOD ADJUSTMENTS	734,989	(1,077,483)	-	2,542,737	(429,843)	-	1,770,398
ENDING EQUITY	2,750,824	1,848,289	-	273,932	-	-	4,873,045
11190 UNIT MONTHS AVAILABLE	3,648	-	-	3,120	-	-	6,768
11210 0 UNIT MONTHS LEASED	2,893	-	-	2,840	-	-	5,733
11170 ADMINISTRATIVE FEE EQUITY	-	-	-	273,932	-	-	273,932
11180 HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	-	-	-	-	-
11610 LAND PURCHASES	-	-	-	-	-	-	-
11620 BUILDING PURCHASES	-	216,958	-	-	-	-	216,958
11630 FURNITURE & EQUIPMENT - DRILLING PURCHASES	-	-	-	-	-	-	-
11640 FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCH	-	-	-	-	-	-	-
11650 LEASEHOLD IMPROVEMENTS PURCHASES	-	-	-	-	-	-	-
11660 INFRASTRUCTURE PURCHASES	-	-	-	-	-	-	-
13510 CFF DEBT SERVICE PAYMENTS	-	-	-	-	-	-	-
13901 REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section I: Summary of Auditors' Results:**

**FINANCIAL STATEMENTS**

Type of auditor's report issued.

Disclaimer of Opinion

Internal Control over financial reporting:

Are material weaknesses identified?

X Yes      \_\_\_ No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

\_\_\_ Yes      X None  
Reported

Is noncompliance that could have a material effect  
on the financial statements identified?

X Yes      \_\_\_ No

**FEDERAL AWARDS**

Internal control over major programs:

Are material weaknesses identified?

X Yes      \_\_\_ No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

X Yes      \_\_\_ None  
Reported

Type of report issued on compliance with requirements  
applicable to each major program.

All Major Programs:

Disclaimer of Opinion

Are there any audit findings that are required to be  
reported in accordance with Section 510(a) of OMB  
Circular A-133?

X Yes      \_\_\_ No

Identification of major programs:

**Name of Federal Program**

**CFDA No**

Low Rent Public Housing

14.850

Section 8 Housing Choice Voucher

14.871

Public Housing Capital Fund Program (CFP Cluster)

14.872

Public Housing Capital Fund Program –

Recovery Act Funded (CFP Cluster)

14.885

Dollar threshold used to distinguish between type A and type B programs:      \$300,000

Is the auditee identified as a low-risk auditee?

\_\_\_ Yes      X No

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section II: Financial Statement Findings:**

**Prior Year Findings and Questioned Costs:**

**Finding 10-01 Accounting Records & Document Retention**

**Condition & Cause:**

The basic accounting and reporting systems for revenues receivables, disbursements, accounts payable, accrued liabilities, payroll, and fixed assets were not effective during the year ended September 30, 2010, which resulted in adequate accounting records. Also, sufficient competent evidential matter could not be located due to improper record retention and organization.

**Current Year Status:**

The PHA hired a fee accountant that uses more reliable accounting software. However, while the Authority is presently in the process of improving accounting records, the process is still on-going, and as of the audit date, all the issues have not been resolved. This Finding is repeated in the current year. See Finding 2011-01

**Finding 10-02 Failure to Comply with State Bid Law**

**Condition & Cause:**

The Housing Authority is required to retain records for public bids for a minimum of six (6) years following the purchase or completion of work, in accordance with Louisiana Revised statute 38:2212. Documentation such as requests for bids and bid proposals submitted are not being kept

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated See Finding 2011-02.



THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section II: Financial Statement Findings - continued:**

**Current Year Findings and Questioned Costs**

**Finding 11-01 Internal Control**

**Criteria:**

Cash disbursements should be supported with a vendor invoice or other acceptable form of substantiation for the payment. Additionally, the Authority must comply with all HUD regulations regarding standards for financial management systems found in 24 CFR Part 85, Section 85.20. Such regulations require standards for financial management systems as follows:

1. Accounting Records
2. Internal Control
3. Budget Control
4. Allowable Cost
5. Source Documentation
6. Cash Management

**Condition:**

Forty Public Housing disbursements were selected for review during the audit. Of the forty sample items selected, the Authority was unable to provide back-up documentation for ten of the requested items. This Finding is repeated from the prior year. See **Finding 10-01**.

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Authority review its policies and procedures for maintaining invoices and other back-up documentation for disbursements and improve those procedures where necessary. We also recommend that the policies and procedures be reviewed with the appropriate staff members and additional training be provided if necessary.

**Response:**

Subsequent to the end of the fiscal year, the Authority has hired a new Finance Director with experience in accounting and internal controls. The new Director is in the process of reviewing and improving current accounting processes and procedures and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section II: Financial Statement Findings - continued:**

**Current Year Findings and Questioned Costs – continued:**

**Finding 11-02 Failure to Comply with State Bid Law**

**Criteria:**

The Housing Authority is required to retain records for public bids for a minimum of six (6) years following the purchase or completion of work, in accordance with Louisiana Revised Statute 38.2212.

**Condition:**

Documentation such as requests for bids and bid proposals submitted are not being kept. This Finding is repeated from the prior year. See Finding 10-02

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Housing Authority retain all required bid law documentation for a minimum of six (6) years in accordance with Louisiana Bid Law.

**Response:**

The Housing Authority agrees with the finding Trina Henderson, Executive Director, will appoint a staff member to handle all procurement documentation and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section III: Federal Award Findings and Questioned Costs:**

**Prior Year Findings and Questioned Costs:**

**Finding 10-03 Failure to Perform Background Checks on Tenants**

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2010

Housing Choice Vouchers – CFDA No. 14.870; Grant period – year ended September 30, 2010

Disaster Housing Assistance Program – CFDA No. 97.109; Grant period – year ended September 30, 2010

**Condition & Cause:**

The Housing Authority is required to complete a background check on all household members over the age of 18 who will be assisted under any HUD program.

Of the 15 files tested for the Housing Choice Voucher Program, fourteen (14) did not have background checks. One (1) file had a notice from the Sheriff's office noting that the applicant may have a potential hit. There was no further documentation regarding the background check

Of the 10 files tested for the Disaster Housing Assistance Program, ten (10) did not have background checks.

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. However, the Disaster Housing Assistance Program is closed consequently no finding is necessary for this program. See Finding 11-03

**Finding 10-04 – Calculation of Portability Administrative Fees**

Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2010

**Condition & Cause:**

Per the *Federal Register* 24 CFR part 982.355, the Housing Authority should bill the initial public housing authority an administrative fee in addition to the housing assistance payment when a tenant moves to another area ("ports"). The administrative fee, determined by HUD, is based on the Housing Authority's fair market rental rates and changes frequently. Due to the lack of documentation it is not possible to determine if the administrative fees are being updated with changes per HUD or if the administrative fees are complete and accurate.

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 11-04

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-05 – Annual Inspection of Dwelling Units**

**Housing Choice Voucher Program – CFDA No 14 871; Grant period – year ended September 30, 2010**

**Condition & Cause:**

Per the *Federal Register* 24 CFR part 982.405, inspections on tenant units must be done at least annually. Not completing inspections on a timely basis could cause unsafe living conditions to exist in dwelling units

Of the 15 files tested for the Housing Choice Voucher Program, one (1) tenant's inspection was missing, and one (1) tenant's inspection was not completed within one year

Of the 15 files tested for the Housing Choice Voucher Program, two (2) units failed the inspection. It was noted that the Housing Authority does not keep a log of failed inspections. This is a requirement for the annual SEMAP certification. It was not possible to verify the number of failed inspections. The Housing Authority does not document failed inspections in an organized manner. This includes retaining copies of letters sent to tenants and landlords in the tenant's files

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated See Finding 11-05

**Finding 10-06 – Housing Assistance Payments Contract**

**Housing Choice Voucher Program – CFDA No 14.871, Grant period – year ended September 30, 2010**

**Condition & Cause:**

Per the *Federal Register* 24 CFR part 982.151, all landlords must sign a Housing Assistance Payments contract, HUD Form 52641. Not having a signed contract with the landlord could void the rental assistance coming from HUD for both the landlord and the Housing Authority's administrative fees

Of the 15 files tested, two contracts were not renewed and two contracts were missing

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated See Finding 11-06

THE HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-07 – Deficiencies In Tenant File Documentation**

**Housing Choice Voucher Program – CFDA No 14 871; Grant period – year ended September 30, 2010**

**Condition & Cause:**

The Housing Authority, in order to comply with HCV requirements, must perform the following functions to verify and document the eligibility of the tenant and all other household members over the age of 18 ("the family") into the program:

1. Select all families from a managed waiting list. (*Federal Register 24 CFR sections 982.202 through 982.207*)
2. Calculate the family's housing assistance payment ("HAP") and utility assistance allowance through a third party verification of reported family income, the value of assets, expenses related to deductions from annual income and other factors that affect the determination of adjusted income or income-based rent (*Federal Register 24 CFR 982.516*)
3. Re-examine family income and composition at least once every 12 months using third party verification and adjust the family's HAP as necessary. (*Federal Register 24 CFR 982.516*)
4. The family must sign a HUD approved authorization for release of information form each time the Housing Authority performs a verification of information through a third party (*HUD Form 9886 or 9887*) (*Federal Register 24 CFR 982.516(g)*)
5. The Housing Authority must submit a HUD Form 50058, Family Report, electronically to the HUD PIC system each time a change is made to the family's file. (*Federal Register 24 CFR part 908 and 24 CFR section 982.158*)
6. The Housing Authority must perform a rent reasonableness test on the selected unit to determine if the rent is reasonable when compared to similar units. (*Federal Register 24 CFR section 982.507*)

Other required file documentation includes copies of birth certificates and social security cards for all family members. Of the 15 files tested for the HCV program

- The Housing Authority could not provide a Waiting List as of September 30, 2010
- Five (5) tenant files did not have re-examinations of income
- Four (4) tenant files did not have updated signed release of information forms
- One (1) tenant file was missing a signed release of information form for a child over the age of 18 residing in the unit
- Five (5) tenant files were missing a HUD Form 50058. Four files were missing an updated HUD Form 50058 after a change to the file
- Fourteen (14) tenant files did not have proof of rent reasonableness. One (1) tenant file did not document rent reasonableness since 2006
- Ten (10) tenant files did not have signed valid contracts between the tenant and the landlords
- One (1) file was missing an amended contract
- Four (4) tenant files were missing the utility allowance calculation, One (1) tenant file did not have a recalculation completed within a year; and one (1) tenant file did not have a recalculation performed when the rental payment was changed as a result of a change in employment
- Five (5) files were missing a rent recalculation, and one (1) file did not have a recalculation after a change in rent

THE HOUSING AUTHORITY OF THE CITY OF  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-07 – Deficiencies In Tenant File Documentation - continued**

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 11-07.

**Finding 10-08 – Miscalculation of Housing Assistance Payments**

Housing Choice Voucher Program – CFDA No. 14 871; Grant period – year ended September 30, 2010  
Disaster Housing Assistance Program – CFDA No. 97.109; Grant period – year ended September 30, 2010

**Condition & Cause:**

Of the fifteen (15) files tested for the HCV program

- One (1) landlord received an overpayment of rent. The amount overpaid was approximately \$179 for the month of September 2010
- Four (4) files did not contain a current HAP payment, therefore the calculation of the payments could not be tested.

Of the ten (10) files tested for the DHAP program

- 10 Files could not be tested for proper calculations.

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. However, the Disaster Housing Assistance Program is closed, and consequently no finding is necessary for this program. See Finding 11-08.

**Finding 10-09 – Failure To Follow Operating Requirements**

Disaster Housing Assistance Program – CFDA No. 97.109, Grant period – year ended September 30, 2010

**Condition & Cause:**

In accordance with the DRSC and PIH Notice 2007-26, the PHA must conduct a limited inspection in a reasonable time (as determined by the PHA) after the effective date of the DRSC to ensure that the unit's current condition does not contain any life-threatening deficiencies (as also determined by the PHA). Of the 10 files tested for the Disaster Housing Assistance Program, only three (3) tenants received inspections.

The Housing Authority did not perform a rent reasonableness test on any tenants in the DHAP program. In accordance with PIH Notice 2007-26, if the owner subsequently wishes to increase the rent in either case while the unit is under the DRSC, the PHA must determine that the proposed new rent is reasonable in accordance with this section. The PHA may not approve the rent increase if the resulting rent is not reasonable.

THE HOUSING AUTHORITY OF THE CITY OF  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-09 – Failure To Follow Operating Requirements – continued:**

**Condition & Cause – continued:**

The Housing Authority did not document active/ongoing case management with DHAP Katrina participants. Housing Authority personnel stated that case management, besides the initial interview, was contracted out to Grace Community. No records were available to verify that Grace Community was conducting case management.

In accordance with Notice *PIH Notice 2007-26*, Incremental Rent Transition "IRT" should be implemented by the Authority by reducing the rental subsidy payment by \$50 starting the month of March 2008. Per Notice *PIH Notice 2008-21*, phase 2 and 3 families will not have an IRT through March 1, 2009. Per HUD Transitional Closeout Plan Operating Requirements, provides a monthly rent subsidy to assist all eligible families with their transition out of DHAP-Katrina. The transitional rental payments "TRP" will be reduced by an additional \$100 every subsequent month until August 2009 and will be frozen at the August payment amount for the months of September and October 2009.

The Housing Authority does not keep complete and accurate records to determine phase I, phase II or phase III families. Due to the lack of documentation at the Housing Authority and employee acknowledgement as to who was responsible for this program, it was not possible to determine which phase these families were in. There is potential that the Housing Authority miscalculated rent subsidies.

**Current Year Status:**

DHAP is no longer a program in the Authority. Therefore this finding is not restated

**Finding 10-10 – HUD Report 60002**

Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2010  
Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2010

**Condition & Cause:**

Each grant that is involved in development, operating or modernization assistance is required to submit HUD Form 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low- Income Persons. The Housing Authority did not complete and submit this report in 2010.

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is restated. See Finding 11-09.

THE HOUSING AUTHORITY OF THE CITY OF  
LAPLACE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2011

**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-11 – Deficiencies In Tenant File Documentation**

**Public Housing Low Rent – CFDA No. 14.850a, Grant period – year ended September 30, 2010**

**Condition & Cause:**

In accordance with compliance supplement 14,580, the PHA must do the following:

1. As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, 960.259).
2. For both family income examinations and reexaminations, obtain and document in the family file third-party verification of: (1) reported family annual income, (2) the value of assets; (3) expenses related to deductions from annual income, and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 960.259)
3. Determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verification in accordance with 24 CFR part 5, subpart F (24 CFR sections 5.601 *et seq.*, and 24 CFR sections 960.253, 960.255, and 960.259).
4. Select tenants from the public housing waiting list (see III.N 1, "Special Tests and Provisions – Public Housing Waiting List") (24 CFR sections. 960.206 and 960.208)
5. Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR sections 960.253, 960.257, and 960.259)

Of the twenty-five (25) files tested for the PHA program:

- Two (2) files were missing documentation of rent recalculation to determine if the proper amount of rent is being charged to the tenants as stated above in the compliance requirements in paragraph c
- Eleven (11) of the files did not contain an income verification of the tenant as noted as a requirement above for compliance with the supplement paragraph b
- Paragraph d states that tenants must be chosen from a waiting list. Five (5) instances were noted in the testing in which the tenant was not first on the list. Twelve (12) other instances were noted in which the file did not contain a copy of the waiting list at the time that the housing was given.
- Three (3) of the files did not contain a reexamination as noted as a requirement above for compliance with the supplement paragraph e.
- Two (2) of the files did not contain signed documentations as noted as a requirement above for compliance with the supplement paragraph a

**Current Year Status:**

The Authority was not able to provide necessary support to clear this finding therefore this finding is re-stated. See Finding 11-10



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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-12 – Missing Tenant Files**

Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2010  
Disaster Housing Assistance Program – CFDA No. 97.109; Grant period – year ended September 30, 2010

**Condition & Cause:**

The Housing Authority, in order to comply with HUD requirements, must maintain tenant files with applicable documentation on all tenants enrolled in each program.

Of the twenty-five (25) files tested for the Housing Choice Voucher Program, ten (10) tenant files were missing.

Of the twenty-five (25) files tested for the Disaster Housing Assistance Program, eight (8) tenant files were missing.

**Current Year Status:**

The Authority provided all the requested tenant files to the auditor. This finding is cleared.

**Finding 10-13 – Reconciliation & Documentation**

Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2010  
American Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September 30, 2010

**Condition & Cause:**

The Housing Authority was unable to provide appropriate evidence to review the expenditures for capital projects. Supporting documentation could not be traced to specific ledger accounts due to incorrect coding of expenditures. No explanations were given as to why expenditures could not be tied to the appropriate accounts. Selections for testing were based on checks written from the capital fund cash account.

Of the twenty-five (25) expenditures tested for Capital Fund Program:

- One (1) file was missing a copy of the check written in the amount of \$1,184.

**Current Year Status:**

The Authority was able to provide necessary support to clear this finding.

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Prior Year Findings and Questioned Costs - continued:**

**Finding 10-14 – Failure to Follow Operating Requirements**

**Disaster Housing Assistance Program – CFDA No. 97.109, Grant period – year ended September 30, 2010**

**Condition & Cause:**

The Housing Authority is required to maintain records that allow for the easy identification of families assisted under DHAP, and must report actual monthly leasing and expenditures for such families separately from housing choice voucher and DVP families under the Voucher Management System (VMS). The Housing Authority must maintain a separate DHAP register to record and control assistance payments for DHAP rent subsidies

The Housing Authority was unable to provide an accurate listing of families assisted under DHAP in the 2010 fiscal year. Selections for testing were based on the listings provided, however, the files did not contain documentation to determine if the tenant received DHAP assistance in the 2010 fiscal year.

**Current Year Status:**

DHAP is no longer a program in the Authority This finding is cleared.

**Current Year Findings and Questioned Costs:**

**Finding 11-01 Internal Control**

**Public Housing Low Rent – CFDA No 14.850a; Grant period – year ended September 30, 2011; Housing Choice Vouchers – CFDA No 14.870; Grant period – year ended September 30, 2011; Capital Fund Program – CFDA No 14.872, Grant period – year ended September 30, 2011, American Recovery and Reinvestment Act (ARRA) – CFDA No 14 885, Grant period – year ended September 30, 2011**

See Finding 11-01 under Section II of this Schedule

**Finding 11-03 Failure To Perform Background Checks on Tenants**

**Public Housing Low Rent – CFDA No. 14.850a, Grant period – year ended September 30, 2011, Housing Choice Vouchers – CFDA No 14 870, Grant period – year ended September 30, 2011**

**Criteria:**

The Housing Authority is required to complete a background check on all household members over the age of 18 who will be assisted under any HUD program

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-03 Failure To Perform Background Checks on Tenants – continued:**

**Condition:**

Of the fifteen Public Housing tenant files that were selected for audit, thirteen background checks were unavailable. Of the fifteen Housing Choice Voucher tenant files that were selected for audit, five background checks were unavailable. This Finding is repeated from the prior year. See **Finding 10-03**

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Authority complete background checks as required in a consistent manner and on a timely basis

**Response:**

The Housing Authority will ensure that the vendor which is providing "applicant background checks" on behalf of other housing authorities will complete background checks on a timely basis. The Housing Authority is also working with the Parish's Sheriff office in the background process. The new Director will review 100% of applicants on the waiting list contracted for "screening". A copy of the Waiting List which shows they are "next" will be attached to the background check, prior to the applicant being processed to receive an apartment. Upon completion of the intake process, 100% of the applicant's file will be reviewed and the lease signed by the Executive Director Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-04 Calculation of Portability Administrative Fees**

**Housing Choice Vouchers – CFDA No. 14.870; Grant period – year ended September 30, 2011**

**Criteria:**

Per *Federal Register* 24 CFR part 982.355, the Housing Authority should bill the initial public housing authority an administrative fee in addition to the housing assistance payment when a tenant moves to another area ("ports"). The administrative fee, determined by HUD, is based on the Housing Authority's fair market rental rates and changes frequently.

**Condition:**

Due to the lack of documentation it is not possible to determine if the administrative fees are being updated with changes per HUD or if the administrative fees are complete and accurate. This Finding is repeated from the prior year. See **Finding 10-04**

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-04 Calculation of Portability Administrative Fees – continued:**

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Authority maintains documentation for Portability Fees and the related HAP payments. There should also be a reconciliation to reflect updated administrative fees in accordance with HUD guidelines.

**Response:**

The Housing Authority is recalculating the Administrative fees for ports for fiscal year 2011-2012. Trina Henderson, Executive Director, will ensure the changes in Fair Market Rents and Administrative Fees are current and are reconciled to ensure the "Rents & Fees" billed are in compliance. Trina Henderson expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-05 Housing Choice Voucher HQS Inspections**

**Housing Choice Vouchers – CFDA No. 14.870, Grant period – year ended September 30, 2011**

**Criteria:**

Per the *Federal Register* 24 CFR part 982.405, inspections on tenant units must be done at least annually. Not completing inspections on a timely basis could cause unsafe living conditions to exist in dwelling units.

**Condition:**

Of the fifteen Housing Choice Voucher tenant files that were selected for audit, six were missing on an annual basis. It was noted that the Housing Authority does not keep a log of failed inspections. This includes retaining copies of letters sent to tenants and landlords in the tenant's file. This is a requirement for the annual SEMAP certification. This Finding is repeated from the prior year. See **Finding 10-05**.

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-05 Housing Choice Voucher HQS Inspections - continued:**

**Recommendation:**

We recommend that the Authority perform and document inspections annually during the tenant's recertification process. The Housing Authority should also begin tracking all failed inspections and document communication attempts with landlords and tenants in the tenant's file. The Housing Authority should also maintain signed contracts with all landlords

**Response:**

The Housing Authority is now performing annual HQS inspections concurrent with the tenant's recertification process, using the current HUD approved inspection report. All failed inspections are being entered into a separate log and monitored to ensure that the dwelling unit meets HQS compliance. A copy of written correspondence with the tenant and landlord is placed in respective files and in the failed unit log. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-06 Housing Assistance Payments Contracts**

**Housing Choice Vouchers – CFDA No. 14.870; Grant period – year ended September 30, 2011**

**Criteria:**

*Federal Register 24 CFR part 982.308* requires the tenant and owner to enter a written lease, HUD Form 52641. The lease must be executed by the owner and the tenant. The Housing Authority should include a copy of the written lease in the participant's file to demonstrate compliance. Not having a signed contract with the landlord could void the rental assistance coming from HUD for both the landlord and the Housing Authority's administrative fees.

**Condition:**

Of the fifteen Housing Choice Voucher tenant files that were selected for audit, six were missing Housing Assistance Payment Contracts, HUD Form 52641. This Finding is repeated from the prior year. See Finding 10-06

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Authority maintain signed contracts with all landlords and update them as required by HUD.

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-06 Housing Assistance Payments Contracts - continued:**

**Response:**

The Authority has revised its Section 8 tenant file folders to include current leases and leases signed within the past two years. The Authority will also provide file documentation and maintenance training to its Section 8 employees. The Authority's Executive Director has assumed the responsibility of implementing the instruction and training, and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-07 Housing Choice Voucher Tenant Files**

**Housing Choice Vouchers – CFDA No 14.870; Grant period – year ended September 30, 2011**

**Criteria:**

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Public Housing and Housing Choice Voucher programs.

**Condition:**

The results of a review of Housing Choice Voucher tenant files are as follows

1. Of the 15 tenant files reviewed, 5 were missing verification of tenant eligibility.
2. Of the 15 tenant files reviewed, 6 were missing the utility allowance calculation
3. Of the 15 tenant files reviewed, 15 did not have proof of rent reasonableness.
4. Of the 15 tenant files reviewed, 10 were missing approved leases, HUD Form 52517
5. Of the 15 tenant files reviewed, 6 did not have signed valid contracts HUD Form 52641, between the tenants and the landlords
6. Of the 15 tenant files reviewed, 10 did not have re-examinations of income
7. Of the 15 tenant files reviewed, 9 were missing a HUD Form 50058
8. Of the 15 tenant files reviewed, 6 were missing annual inspection reports
9. Of the 15 tenant files reviewed, 1 was missing a social security card
10. Of the 15 tenant files reviewed, 1 was missing a birth certificate or state issued I.D
11. Of the 15 tenant files reviewed, 8 did not have an updated, signed release of information form
12. Of the 15 tenant files reviewed, 12 were missing third party verifications of income
13. Of the 15 tenant files reviewed, 4 were missing signed lead based paint disclosures

This Finding is repeated from the prior year. See Finding 10-07.

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-07 Housing Choice Voucher Tenant Files - continued:**

**Recommendation:**

We recommend that the Authority utilize a standard filing system based upon a checklist and issue this to all required personnel. We recommend that supervisors and managers review, on a regular monthly basis, a random sample of all files to determine compliance with federal guidelines.

**Response:**

The Authority will review its procedures for the preparation and maintenance of tenant files and, where necessary, procedures will be changed. Additional training and instruction will be provided to appropriate personnel and a process for management review will be instituted. The Authority's Executive Director has assumed the responsibility of implementing the review process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-08 Miscalculation of Housing Assistance Payments**

**Housing Choice Vouchers – CFDA No. 14 870, Grant period – year ended September 30, 2011**

**Criteria:**

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Housing Choice Voucher program

**Condition:**

Of the fifteen files tested for the HCV program, seven files did not contain a current calculation of a HAP; therefore the calculation of payments could not be tested. This Finding is repeated from the prior year. See Finding 10-08.

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Housing Authority implement and execute strengthened controls over the HAP calculation and documentation process to include standard supervisory sign-offs, quality control reviews and staff training.

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-08 Miscalculation of Housing Assistance Payments – continued:**

**Response:**

The Housing Authority will assess its staff and consider restructuring and make requests to the State Civil Service Department to acquire additional positions. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013

**Finding 11-09 HUD Report 60002**

Public Housing Low Rent – CFDA No. 14 850a; Grant period – year ended September 30, 2011;  
Housing Choice Vouchers – CFDA No. 14.870; Grant period – year ended September 30, 2011; Capital  
Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011, American  
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September  
30, 2011

**Criteria:**

Each grant that is involved in development, operating or modernization assistance is required to submit HUD Form 60002, Section 3 Summary Report

**Condition:**

The Housing Authority did not complete and submit HUD Form 60002, Section 3 Summary Report. This Finding is repeated from the prior year See Finding 10-10.

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

**Recommendation:**

The Housing Authority should train its employees on the reporting requirements of all federal programs



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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-09 HUD Report 60002 – continued:**

**Response:**

The Authority agrees with Auditor's observation and will ensure that HUD Form 60002 will be submitted timely. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-10 Tenant File Maintenance**

**Public Housing Low Rent – CFDA No. 14 850a; Grant period – year ended September 30, 2011**

**Criteria:**

The Code of Federal Regulations and HUD guidelines give the requirements for maintaining the tenant files for the Public Housing and Housing Choice Voucher Programs. Specifically, 24 CFR Parts 960 259(c) and 982 516(a) require Authorities to obtain and document, in the tenant files, independent third party verifications of reported family income.

**Condition:**

The results of a review of Public Housing tenant files are as follows:

- 1 Of the 15 tenant files reviewed, 8 were missing initial applications.
- 2 Of the 15 tenant files reviewed, 13 were missing landlord verification forms
- 3 Of the 15 tenant files reviewed, 13 were missing community service requirement forms.
- 4 Of the 15 tenant files reviewed, 10 were missing approved leases, HUD Form 52517
5. Of the 15 tenant files reviewed, 11 did not have re-examinations of income.
- 6 Of the 15 tenant files reviewed, 10 rent receipts did not match the lease
- 7 Of the 15 tenant files reviewed, 6 were missing a HUD Form 50058
- 8 Of the 15 tenant files reviewed, 11 were missing annual inspection reports
9. Of the 15 tenant files reviewed, 3 did not have an updated, signed release of information form
10. Of the 15 tenant files reviewed, 12 were missing third party verifications of income.
11. Of the 15 tenant files reviewed, 4 were missing signed lead based paint disclosures

This Finding is repeated from the prior year See Finding 10-11

**Effect:** Non-compliance with HUD regulations

**Cause:** Poor internal control procedures

**Questioned Cost:** Unknown

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-10 Tenant File Maintenance - continued:**

**Recommendation:**

We recommend that the Authority utilize a standard filing system based upon a checklist and issue this to all required personnel. We recommend that supervisors and managers review, on a regular monthly basis, a random sample of all files to determine compliance with federal guidelines and the Authority's policy.

**Response:**

The Authority will review its procedures for the preparation and maintenance of tenant files, and where necessary, procedures will be changed. Additional training and instruction will be provided to appropriate personnel and a process for management review will be instituted. The Authority's Executive Director has assumed the responsibility of implementing the review process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 11-11 Equipment and Real Property Management**

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;  
Capital Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American  
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September  
30, 2011

**Criteria:**

Equipment records should include a description of the equipment, including serial number, source and acquisition date. Existence of equipment should be verified on a periodic basis by performance of a physical inventory of equipment. A record of the physical inventory of equipment should be maintained on file (Low Rent Housing Accounting Guide, HM G 7511 1, Chapter 9, Section 2, Paragraph 11).

**Condition:**

We were unable to locate equipment records which complied with HUD regulations. In addition, we were unable to verify that a physical inventory of equipment was performed.

**Effect:** Non-compliance with HUD regulations

**Cause:** Weak control environment

**Questioned Cost:** Unknown

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 11-11 Equipment and Real Property Management Unavailable – continued:**

**Recommendation:**

We recommend that the Authority establish processes and procedures to ensure that equipment records are maintained in accordance with HUD regulations. Additionally, we recommend that periodic inventories of equipment are performed and records of the inventories are maintained on file.

**Response:**

The Authority has established procedures to ensure that equipment records are maintained in accordance with HUD regulations. The Authority will perform a periodic inventory of equipment and will maintain records of inventory results. The Finance Director will adjust accounting records to reflect the actual equipment inventory. The Authority's Executive Director has assumed the responsibility of executing the physical inventory and record retention process and expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 2011-12 – Declaration of Trust Unavailable**

**Public Housing Low Rent – CFDA No. 14 850a, Grant period – year ended September 30, 2011**

**Criteria:**

A current Declaration of Trust must be recorded against all public housing properties owned by the Authority that have been acquired, developed, maintained, or assisted with funds from the U.S. Housing Act of 1937. A current Declaration of Trust would include all improvement and modernization efforts on the projects.

**Condition:**

During the audit, a copy of the Trust was requested by the auditors, but the Authority was not able to produce a copy of the Trust.

**Effect:** Non-compliance with HUD regulations

**Cause:** Weak control environment

**Questioned Cost:** Unknown

**Recommendation:**

The Authority should record Declarations of Trust against all properties that it owns.

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 2011-12 – Declaration of Trust Unavailable – continued:**

**Response:**

The Authority will record Declaration of Trust against all public housing properties owned Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

**Finding 2011 - 13 – Davis-Bacon Act**

**Capital Fund Program – CFDA No. 14 872; Grant period – year ended September 30, 2011; American Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September 30, 2011**

**Criteria:**

Non-federal entities shall include in their construction contracts, subject to the Davis-Bacon Act, a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls, 29 CFR sections 5 5 and 5 6)

**Condition:**

During the period under audit the Authority had ongoing construction projects under the Capital Fund Program and the Capital Fund Stimulus Act. The Authority was not able to provide documentation of certified payrolls from the contractors performing this work, which is required by the Davis-Bacon Act

**Effect:** Non-compliance with HUD regulations

**Cause:** Failure to follow HUD regulations

**Questioned Cost:** None

**Recommendation:**

We recommend that the Authority obtain certified payrolls for each applicable federally-funded construction contract and maintain these payrolls in the respective contract files

**Response:**

The Authority is in the process of updating and improving its operating policies The Authority is in the process of reviewing and improving current processes and procedures and expects the deficiencies which led to this finding to be resolved in the next fiscal year. Trina Henderson, Executive Director, expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 2011 - 14 – SEMAP Certification**

**Housing Choice Vouchers – CFDA No. 14.870; Grant period – year ended September 30, 2011**

**Criteria:**

The Code of Federal Regulations and HUD guidelines give the requirements related to the Section Eight Management Assessment Program (SEMAP) for Public Housing Agencies. Specifically, 24CFR Part 985 gives the requirements in relation to the SEMAP certification. SEMAP is used to remotely measure the Authority's performance and administration of the Housing Choice Vouchers program. SEMAP uses HUD's national database of tenant information and information from audits conducted annually by independent auditors. HUD will annually assign each Authority a rating on each of the 14 indicators and an overall performance rating of high, standard or troubled. Metropolitan Authorities will also be able to earn bonus points for their achievements in encouraging assisted families to choose housing in low poverty areas.

**Condition:**

During the current year audit, the SEMAP Certification was tested for validity. The auditor found instances where the backup documentation did not match the data submitted to HUD on the certification.

**Effect:** Non-compliance with HUD regulations

**Cause:** Failure to follow HUD regulations

**Questioned Cost:** None

**Recommendation:**

We recommend the Authority strengthen their internal control procedures relating to the SEMAP Certification in order to provide accurate information to HUD.

**Reply:**

The Authority was made aware of the existing problems in the area of the SEMAP Certification. As a result, corrective actions will be executed in order to correct this compliance deficiency. Trina Henderson, Executive Director, expects to resolve this issue by the end of the current fiscal year.

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**Section III: Federal Award Findings and Questioned Costs - continued:**

**Current Year Findings and Questioned Costs - continued:**

**Finding 2011-15 – Timely Completion and Submission of Annual Audit**

Public Housing Low Rent – CFDA No. 14.850a; Grant period – year ended September 30, 2011;  
Housing Choice Vouchers – CFDA No. 14.870; Grant period – year ended September 30, 2011; Capital  
Fund Program – CFDA No. 14.872; Grant period – year ended September 30, 2011; American  
Recovery and Reinvestment Act (ARRA) – CFDA No. 14.885; Grant period – year ended September  
30, 2011

**Criteria:**

The Authority is required to submit their audited Financial Data Schedule (FDS) and audit report to the Department of Housing and Urban Development (HUD) within nine months of the end of their fiscal year. Additionally, pursuant to the requirements of Louisiana Revised Statute 24:513, the Authority is required to make available financial records to the auditors in a timely manner in order to meet the six month audit filing deadline requirements of the Louisiana Governmental Audit Guide and the Louisiana Legislative Auditor's Office.

**Condition:**

The Authority failed to make available financial records to the auditors in a timely manner in order to meet the federal and state audit filing deadline requirements.

**Effect:** Non-compliance with HUD regulations

**Cause:** Weak control environment

**Questioned Cost:** Unknown

**Recommendation:**

We recommend that the Authority review procedures in order to insure the timely completion of financial records and the submission of the annual audit report.

**Response:**

Trina Henderson, Executive Director, indicates that the Authority will review procedures involving the timely completion of financial records and submitting of audit reports. Trina Henderson expects the deficiencies which led to this Finding to be resolved by the end of fiscal year 2013.